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PROPOSED REVISIONS TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997*

MAJOR PROGRAMME IV. INTERNATIONAL ECONOMIC COOPERATION FOR DEVELOPMENT

Programme 13. Trade and development

1. The preparation, format and content of the medium-term plan and its revisions are governed by the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/PPBME Rules/1(1987)).

2. Regulation 3.11 provides, inter alia, that the medium-term plan shall be revised as necessary every two years to incorporate required programme changes and that the proposed revisions shall be as detailed as required to incorporate the programme implications of the resolutions and decisions adopted by the intergovernmental organs or international conferences since the adoption of the plan.

3. The revised programme 13, Trade and development, replaces the narrative of programme 13, International trade, of the medium-term plan for the period 1992-1997, which was adopted by the General Assembly in its resolution 45/253 of 21 December 1990 and issued in document A/45/6/Rev.1. Revised programme 13 will be reviewed by the Working Party on the Medium-Term Plan and the Programme Budget of the Trade and Development Board at its meeting from 31 August to 8 September 1992.

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* After adoption by the General Assembly at its forty-seventh session, the complete revised medium-term plan will be issued in final printed form as Official Records of the General Assembly, Forty-seventh Session, Supplement No. 6 (A/47/6/Rev.1).

4. On account of the proposed new structure and extensive revisions, reflecting the decisions of the eighth session of UNCTAD held in February 1992, and the relevant recommendations of the United Nations Conference on Environment and Development, the complete text of programme 13 is presented below, replacing the narrative of programme 13 in document A/45/6/Rev.1 in its entirety. In order to facilitate the review of the new narrative of this programme, the table below provides the correspondence between the subprogrammes under the existing programme 13 contained in A/45/6/Rev.1 and the proposed new subprogrammes, as well as an indication of the new subsidiary bodies established by UNCTAD at its eighth session to deal with the issues concerned:

	Proposed new subprogrammes of programme 13	Corresponding programme/subprogramme in A/45/6/Rev.1
1.	International competition and trade policies	13.1. Protectionism and market access
2.	Commodities	13.6. Commodities
3.	Development finance and debt	14.1. External financing and international monetary issues
		14.2 Debt and development problems of developing countries
4.	Investment and technology	13.4. Transfer of technology
5.	Poverty alleviation (new Standing Committee on Poverty Alleviation established)	
6.	Economic cooperation among developing countries	13.7. Economic cooperation among developing countries
7.	Global interdependence: the international trading, monetary and financial systems; international implications of macroeconomic policies	Part of 14.3. Interdependence and intersectoral support
8.	Enlarged economic spaces, regional integration processes and systemic issues of international trade	13.3. Cross-sectoral issues
9.	Privatization, entrepreneurship and competitiveness (new ad hoc Working Group on Comparative Experiences with Privatization established)	
10.	Domestic reforms and resource mobilization	Part of 14.3. Interdependence and intersectoral support
11.	Environment and sustainable development (Sustainable development was identified by the eighth session of UNCTAD as one of the four major areas of work for UNCTAD.)	
12.	Data management	13.9. Data management and trade facilitation

5. The subprogrammes implemented by the secretariat of the International Trade Centre, which were subprogramme 10 (Institutional infrastructure, including business organizations for trade promotion and export development), 11 (Product and market research, development and promotion), 12 (Import operations and techniques) and 13 (Human resources development for trade promotion), under the former programme 13 (International trade) would be transferred to revised programme 14 (Trade expansion, export promotion and services sector development) and become subprogrammes 7, 8, 9 and 10 respectively (see A/47/6 (Prog. 14)/Add.1).

Programme 13. Trade and development

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PROGRAMME 13. TRADE AND DEVELOPMENT

A. Programme

1. General orientation

13.1 UNCTAD's mandate in the field of international trade and related problems of economic development is derived from General Assembly resolution 1995 (XIX) of 30 December 1964, which established UNCTAD. The most recent mandate is derived from the document entitled "A New Partnership for Development: The Cartagena Commitment", adopted by the Conference at its eighth session, which provides orientations for developing both fresh approaches to long-standing issues and insights for pursuing relevant new lines of work.

13.2 Underlying and shaping these new orientations are the dramatic developments and profound changes that have taken place in the world in recent years and have improved the prospects for strengthening multilateral cooperation and for progressively improving the human condition. With the ending of the cold war, a marked easing has occurred in international political relations and the scope has widened for the reduction of nuclear and other armaments and of military expenditures throughout the world. The broad tide of economic reform, the democratization processes and the respect for human rights have gathered pace. Vigorous efforts by many developing countries to adapt and improve the responsiveness of their economies to the rigours of international competition have continued unabated, despite the difficulties encountered. Likewise, the countries of Central and Eastern Europe are making far-reaching institutional changes and rapid moves to market-based economic systems, in some cases in the midst of considerable social and political tension.

13.3 At the same time, there is a wide convergence of views concerning the need for good governance at both the national and international levels. At the national level, there is a need for developing countries to continue efforts to modernize their economies, make more effective use of their resources, keep control over inflationary tendencies, promote domestic savings, achieve favourable conditions for productive domestic and foreign investment and increase their international competitiveness in order to improve the standards of living of their peoples. In this regard, it is increasingly being recognized that the use of market signals and the fostering of entrepreneurial initiatives improve efficiency, competitiveness and the contribution of public and private sectors, while government actions may be necessary to complement the operation of markets or to correct market deficiencies.

13.4 Internationally, it is recognized that a higher and sustained level of international cooperation is needed in order to address issues arising from the interdependence of economies and key areas of economic policy. This implies, inter alia, effective coordination of the national policies of countries having great weight in the world economy and more effective multilateral surveillance aimed at correcting existing external and fiscal imbalances, promoting non-inflationary sustainable growth, lowering real rates of interest and making exchange rates more stable and markets more accessible,

as well as respect for agreed multilateral rules. Further, international cooperation is needed to improve the systems, structures and arrangements that have thus far underpinned international economic relations, particularly as regards trade, money and finance. The necessary processes of change must aim at providing an improved environment for developed countries to achieve better macroeconomic management and structural adjustment, as well as firmer support for the development process and a more conducive setting for the vigorous policy reforms being carried forward by developing countries and the countries undergoing the process of transition to market economies. Economic prosperity and the success of reform policies in these countries are recognized as being as essential for a peaceful and secure world as the sound and sustained expansion of developed countries.

13.5 Good management at the international level also requires that the international trading system become increasingly open, transparent, secure and non-discriminatory, halting and reversing protectionism and facilitating in a timely way the integration of all countries into the world economy. The Uruguay Round must contribute to the strengthening of the international trading system, which should take into account the specific interests of developing countries. In the area of commodities, the need is for a viable and more efficient commodity policy for the 1990s, notably through stronger international cooperation, including international consultation and arrangements, taking into account market trends, and exchange of information between producers and consumers, which would promote a better and transparent functioning of commodity markets and a greater contribution by the commodity sector to the development process.

13.6 Further, ongoing efforts should be continued and urgently implemented in the appropriate forums by all actors concerned in order to arrive at an effective and durable solution to the remaining debt problems in developing countries. Continued attention should be paid to the importance of financial flows to the developing countries and to the need for stable and predictable exchange and interest rates, which would be consistent with high rates of non-inflationary growth and investment in the world economy. Further, ways and means of encouraging direct foreign investment in developing countries should be explored, taking into account the more favourable approach to direct foreign investment apparent in most developing countries.

13.7 It is also acknowledged that worldwide sustainable development requires both national and international action to conserve the Earth's resources in a manner conducive to development and to the eradication of poverty as one of the major sources of degradation in the developing world.

13.8 The eighth session of the Conference, held at Cartagena, recognized that UNCTAD, in the light of its mandate, should continue to address long-standing trade and development problems, as well as new and emerging issues in this field. It agreed on four major areas that should serve as orientations for developing both fresh approaches to long-standing issues and insights for pursuing relevant new lines of work. Consequently, the broad orientations of this programme, as well as of the other programmes (14 and 15) for which UNCTAD is responsible, are:

(a) To promote a new partnership for development based on the recognition of sovereign equality, mutual interests and shared responsibilities;

(b) To strengthen global interdependence and to reduce imbalances in the world economy for the benefit of all countries, especially developing countries;

(c) To encourage and support a sound and successful path to development, having regard to different national circumstances and to relevant aspects of the international economic environment;

(d) To promote sustainable development by ensuring that development and the protection of the environment are mutually reinforcing.

13.9 In the light of the above, the programme deals with issues in the area of trade and development within the context of the New Partnership for Development agreed to at the eighth session of UNCTAD. They cover the betterment of the trade conditions of developing countries and countries undergoing the process of transition to market economies, with particular emphasis on international competition and trade policies; effective policies in the field of commodities; the mobilization of financial resources for development and further evolution of the international debt strategy; exploitation of the interrelationship between technology and investment; concerted efforts to fight poverty; economic cooperation among developing countries; international implications of macroeconomic policies and their coordination; good international management and the evolution of the international trading, monetary and financial systems; emerging enlarged economic spaces, regional integration processes and systemic issues of international trade; the promotion of privatization, entrepreneurship and competitiveness; domestic reforms and resource mobilization; and measures to promote ecologically sound development.

13.10 In the implementation of the programme, as well as of programmes 14 and 15, due account will be taken of the need for UNCTAD to make its contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s.

13.11 The United Nations Conference on Environment and Development, in chapter 38 of Agenda 21 on "International institutional arrangements", specifically mentioned UNCTAD, together with UNEP and UNDP, as having an important role in the follow-up to the results of the Conference. It stated that UNCTAD should play an important role in the implementation of Agenda 21 as extended at the eighth session of UNCTAD, taking into account the importance of the interrelationships between development, international trade and the environment, and in accordance with its mandate in the area of sustainable development.

2. Overall strategy

13.12 The programme will be implemented by the UNCTAD secretariat in close cooperation with its member States, other intergovernmental organizations and, as appropriate, non-governmental actors such as enterprises, trade unions, the academic community and non-governmental organizations. In the implementation of the programme, the secretariat will be guided by the decisions taken by the eighth session of UNCTAD regarding the institutional adaptation, functions and methods of work of the organization.

13.13 In the area of institutional adaptation, it is recognized that UNCTAD, as the principal organ of the General Assembly in the field of trade and development, will need:

(a) To adapt its structures and operations to the new realities in the world, and to enhance its responsiveness to the diversified interests of all Member States;

(b) To provide, as the most appropriate focal point within the United Nations proper in this area, for the integrated treatment of development and interrelated issues in key areas including trade, finance, investment, services and technology, in the interests of all countries, particularly those of developing countries;

(c) To promote international consensus on principles and strategies for policy action at the national and international levels in order to enhance the development prospects of Member States, particularly those of developing countries;

(d) To provide a forum for the exchange of experiences among member States so as to enable them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation;

(e) To contribute to the exercise recently launched by the General Assembly for the restructuring of the economic and social sectors of the United Nations, taking account of developments concerning the institutional follow-up of the outcome of the Uruguay Round, and of the recent initiative taken by the General Assembly on the strengthening of institutional arrangements in the area of multilateral trade.

13.14 The functions of UNCTAD, in line with its mandate, will comprise policy analysis; intergovernmental deliberation, consensus-building and negotiation; monitoring, implementation and follow-up; and technical cooperation. These functions are interrelated and call for constant cross-fertilization between the relevant activities.

13.15 Substantive work within UNCTAD will consist of a dynamic and progressive sequence involving the initial identification of a relevant set of issues; the carrying out of high-quality analytical work, which should benefit from invited inputs from both governmental and non-governmental experts and actors; and the conduct of intergovernmental consultations, dialogue and interaction aimed at the identification of areas of convergence and, when appropriate, negotiations.

13.16 The analytical work of the secretariat will form the basis for the consideration of issues by intergovernmental bodies within UNCTAD. Careful, rigorous policy analysis will need to be carried out involving conceptual innovation and research. UNCTAD will endeavour in particular to bring fresh thinking to bear on long-standing problems and to the identification and treatment of key emerging issues of trade and development, including an early warning perspective, in a rapidly changing world.

13.17 Analysis will need to include a systematic study of national and international policies that affect development and take account of policies pursued or agreed upon in other institutions, so as to assess their implications for developing countries; the examination of the determinants of success in economic development in order to facilitate the sharing of experiences and provide the basis for the formulation of strategies comprising national and international policy measures required for promoting worldwide growth and development. The UNCTAD secretariat's reports will stem from its own analysis and research and, as appropriate, from syntheses of research undertaken by other institutions.

13.18 In order to facilitate concrete and innovative discussion, the UNCTAD secretariat will need to draw attention to issues requiring closer consideration and provide concise, independent and objective analyses, taking due account of the diversity of country situations and experiences and the need to provide more disaggregated analyses to the extent appropriate.

13.19 Consensus-building is a most important function of UNCTAD, flowing from the identification of issues and the analytical work carried out by the secretariat to clarify the main aspects of such issues and shared perceptions. Sharing experiences, concerns and views forms an integral part of this process of defining common interests and promoting convergence.

13.20 Some flexibility in recording the outcomes of intergovernmental deliberative processes is also envisaged, involving greater use of agreed conclusions, assessments or summings-up by presiding officers, particularly when the issues are new or difficult ones, requiring further exploration and the building of common perceptions.

13.21 Negotiations are an intergovernmental interaction leading to implementable commitments and may be seen as the culmination, although not automatic, of the sequential process described earlier. They will need to be initiated in a selective manner, paying due regard to the nature and maturity of the issues involved and keeping in mind the need for a broad convergence of views and common understanding, including on the desirability of an outcome and its form. They may result in agreed statements, conclusions and recommendations comprising broad policy guidelines on economic policy issues for the international community; agreed recommendations for member States; decisions and resolutions to be implemented by the organization and member States; or binding international agreements.

13.22 On issues where other institutions are vested with the necessary powers of decision or rule-making, UNCTAD will need to aim at providing constructive approaches, as well as viewpoints, and at generating political impulses on matters within its purview, to be considered by these institutions in accordance with their decision-making powers.

13.23 Effective implementation, monitoring and follow-up are essential for fulfilling the mandate of UNCTAD, and the necessary arrangements will need to be made by the Trade and Development Board in order to ensure that the outcomes of the processes described above are translated into concrete action.

13.24 Technical cooperation will need to be strengthened, expanded with the resources available and integrated into all relevant areas of UNCTAD's work, taking into account the need for effective interaction among the main functions of UNCTAD and the need for continued effective coordination with other technical cooperation agencies of the United Nations system. It is a component of a comprehensive development approach to support domestic efforts in UNCTAD's fields of competence and to strengthen the capacity of countries to manage their own development process, as well as to be both full participants in, and beneficiaries of, international deliberations in these areas. A strengthened and expanded technical cooperation programme will require political support and increased extrabudgetary financial contributions from member States, as well as appropriate arrangements by developing countries, in the context of their national priorities, to ensure that provision is made for technical cooperation as regards trade and development in the context of UNDP country and intercountry programmes and in programmes financed by bilateral and other multilateral donors.

13.25 UNCTAD's work programme will need to be reviewed periodically, with the objective of: (a) providing an enriched substantive and technical basis for policy discussion, negotiation and decisions; (b) increasing UNCTAD's effectiveness in addressing national and international development issues; and (c) stimulating a greater participation of officials responsible for policy formulation at the national level in the work of the organization.

13.26 In this regard, the Trade and Development Board will conduct, midway between Conferences, a review and evaluation of the work programme of the intergovernmental machinery, including its own; of technical assistance programmes; and, bearing in mind the calendar established in this regard, of the programme budget and medium-term plan, so as to ensure full integration of all work undertaken by UNCTAD and to establish or adjust priorities for the period up to the following Conference.

13.27 Coordination with other United Nations bodies will take place through various means, including regular consultations and, as appropriate, joint reviews of work programmes. Joint working groups may also be set up, such as that established with IMO and ILO in the field of maritime training. Joint and cooperative activities with other agencies will be strengthened in both research and technical cooperation areas. UNCTAD's experience with such joint activities, for example with the World Bank, FAO, UNIDO and ITC, has been a positive and useful one. Likewise cooperation, including the organization of joint activities, with the regional commissions will be reinforced, building on the successful experiences in the past, as in the areas of trade and transport, with ESCAP, ECA and ECLAC. UNCTAD will also continue to participate actively in inter-agency forums on a wide range of issues, including new issues added to UNCTAD's work programme by the eighth session such as poverty alleviation.

13.28 Closer cooperation will be established with non-governmental actors, such as enterprises, trade unions, the academic community and non-governmental organizations, as well as other international bodies such as OECD and integration groupings, with a view to enhancing the secretariat's substantive work and technical cooperation activities. Such cooperation may include the establishment of flexible and informal mechanisms involving the participation of non-governmental actors, particularly the enterprise sector, so as to benefit from their advice on specific issues.

3. Subprogramme structure and priorities

13.29 The programme on trade and development will consist of the following subprogrammes:

Subprogramme 1.	International competition and trade policies
Subprogramme 2.	Commodities
Subprogramme 3.	Development finance and debt
Subprogramme 4.	Investment and technology
Subprogramme 5.	Poverty alleviation
Subprogramme 6.	Economic cooperation among developing countries
Subprogramme 7.	Global interdependence, the international trading, monetary and financial systems; international implications of macroeconomic policies
Subprogramme 8.	Enlarged economic spaces, regional integration processes and systemic issues of international trade
Subprogramme 9.	Privatization, entrepreneurship and competitiveness
Subprogramme 10.	Domestic reforms and resource mobilization
Subprogramme 11.	Environment and sustainable development
Subprogramme 12.	Data management

13.30 Subprogrammes 1, 3, 7, 8, 9, 10 and 11 are designated high priority.

B. Subprogrammes

SUBPROGRAMME 1. INTERNATIONAL COMPETITION AND TRADE POLICIES

(a) Objectives

13.31 The legislative authority for the subprogramme derives from General Assembly resolutions 35/63, 42/175, 45/210 and S-18/3; the Final Act of the seventh session of UNCTAD, paragraphs 101-105 (1-24); Trade and Development Board resolution 228 (XXII) and decisions 75 (S-IV), 354 (XXXIV), 367 (XXXV) and 384 (XXXVII); agreed decisions and conclusions adopted by the Intergovernmental Group of Experts on Restrictive Business Practices at its sixth and eighth sessions; recommendations adopted by the Intergovernmental Group of Experts on Definitions and Methodology Employed in the UNCTAD Database on Trade Measures at its second session; the Cartagena Commitment, adopted by the eighth session of UNCTAD; and paragraphs 2.15, 2.21, 2.22 and 38.26 of Agenda 21, adopted by the United Nations Conference on Environment and Development.

13.32 The international trading environment has been affected by a number of developments that have created new challenges and opportunities and have made multilateral economic cooperation of even greater importance. World trade has continued to grow faster than world output in recent years. However, the expansion of world trade has been unevenly spread, and only a limited number of developing countries have been capable of achieving appreciable growth in

their exports. Protectionist pressures and unilateral policy actions continue to endanger the functioning of an open multilateral trading system, affecting particularly the export interests of developing countries, including in the area of services, where a growing number of developing countries are now in a position to develop exports of a range of services. In recent years, a growing number of these countries have adopted courageous policy reforms involving ambitious autonomous trade liberalization, while far-reaching reforms and profound restructuring processes are taking place in Central and Eastern European countries, paving the way for their integration into the world economy and the international trading system. Such reforms will need to be supported by the improvement of access to markets for their products, particularly in sectors where they have a comparative advantage or have acquired international competitiveness.

13.33 While environmental policies such as environmental regulations and standards can affect trade, trade policies, such as those which do not adequately reflect environmental costs and resource values, can affect the environment. There is thus a need to build an international consensus on principles and rules in order to deal with the compatibility of trade and environment policies, so that environmental protection can be pursued without imposing unnecessary restrictions on trade or undermining liberal trade policies. In such a context, it is recognized that improved market access for developing country exports, in conjunction with sound environmental policies, would have a positive environmental impact.

13.34 The objectives of this subprogramme will be:

(a) To contribute to further trade liberalization and to efforts to halt and reverse protectionism in order to bring about an expansion of world trade for the benefit of all countries, particularly the developing countries;

(b) To contribute to increasing the transparency of trade regimes and to the replacement of non-tariff measures by tariffs where possible;

(c) To contribute to the elimination or effective control of restrictive business practices in order to encourage competition, to promote the proper functioning of markets and efficient resource allocation and to bring about the further liberalization of international trade through, inter alia, implementing fully the provisions of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, ensuring transparency and defining consultation procedures;

(d) To promote competitive markets in both goods and services through cooperation between national competition authorities, including competent authorities of regional groupings;

(e) To facilitate trade policy reforms of developing countries through appropriate international support;

(f) To support the transition of countries of Central and Eastern Europe to a market economy and the liberalization of the trade regimes of member States vis-à-vis those countries;

(g) To ensure that environment measures and trade policies are mutually supportive, with a view to achieving sustainable development, in particular to ensure that environmental measures or environment-related trade measures take into account the special conditions and development requirements of developing countries and that they are based on principles of non-discrimination, of being the least trade-restrictive and of transparency and, where appropriate, on an international consensus, and thus do not impose unnecessary or discriminatory restrictions on international trade.

(b) Course of action of the secretariat

13.35 The UNCTAD secretariat will contribute to:

(a) Enhancing understanding of factors underlying protectionism and the implications of protectionist measures, taking into account particularly the export interests of developing countries;

(b) Enhancing the capacity of developing countries to assess market access conditions for both goods and services, with a view to enabling them to take full advantage of existing access as well as to improving it;

(c) Promoting the establishment of transparent mechanisms at the national level to evaluate measures sought by firms/sectors, as part of the fight against protectionism, including discussion on the relevant features of such mechanisms;

(d) Enhancing the knowledge of restrictive business practices and the capacity to detect such practices; and increasing awareness of the need for effective action at the national, regional and international levels to eliminate or deal effectively with restrictive business practices, including those of transnational corporations, adversely affecting international trade, particularly that of developing countries and the economic development of those countries;

(e) Enhancing understanding of the need for, and the factors influencing the success of, trade policy reforms in developing countries;

(f) Enhancing understanding of the actions needed to support the transition of countries in Central and Eastern Europe to a market economy;

(g) Clarification of the linkages between trade and environment and innovative thinking on the establishment of a framework for compatibility between environmental measures and international trade rules, with the aim of building an international consensus on appropriate principles and rules to promote such compatibility and to avoid the use of environmental measures for protectionist purposes.

13.36 In the light of the above, the UNCTAD secretariat will:

(a) Analyse trade actions and trade legislation and other developments in trade policies;

(b) Assess and analyse the relevant features of transparent mechanisms based on a comparative analysis of national institutions and experiences;

(c) Study developments related to market access, particularly for products of export interest to developing countries, including the outcome of the Uruguay Round, the consequences of official trade interventions, the incidence of non-tariff measures and the impact of voluntary export restraints and of other managed trade arrangements;

(d) Analyse and assess the outcome of the Uruguay Round, in particular in areas of interest or concern to developing countries, and its impact on the international trading system, and in this context, analyse the problems and opportunities that the developing countries and the countries undergoing the process of transition to a market economy face in increasing their participation in international trade in goods and services in the 1990s;

(e) Carry out studies on restrictive business practices and competition policy; publish information on developments in this area; continue the elaboration of a model law or laws, and the work on a handbook, on such practices; maintain and improve the system of publicly available information on such practices; disseminate information and provide assistance in the formation of skills, particularly to developing countries, relevant to the control of such practices; organize and service intergovernmental consultations, as appropriate, on restrictive business practices and competition policy;

(f) Analyse factors influencing the success of trade policy reforms in developing countries and identify appropriate support measures;

(g) Analyse and identify trade policy measures to support the transition of countries of Central and Eastern Europe to a market economy;

(h) Undertake studies and analyses of policy measures in the vital area of trade and sustainable development, including analysis of the relationship between environmental and trade policies and the impact of developments in this field on developing countries, taking into account the work of the United Nations Conference on Environment and Development, GATT, OECD, and other relevant forums, and analysis of the implications of international environmental deliberation and measures on international competition and trade;

(i) Help to promote a dialogue between trade, development and environment communities;

(j) Collect, analyse and disseminate information on environmental regulations and measures that may have an impact on international trade, especially that of developing countries, using in particular the UNCTAD database on trade-related environment measures for the dissemination of such information;

(k) Provide substantive support to technical cooperation activities relating to the establishment of national transparent mechanisms; trade policy reforms; restrictive business practices and competition policy; assistance to developing countries preparing for their participation in the GATT Trade Policy Review Mechanism; trade negotiations; assessment and implementation of the results of the Uruguay Round; and trade and the environment.

SUBPROGRAMME 2. COMMODITIES

(a) Objectives

13.37 The legislative authority for the subprogramme derives from General Assembly resolutions 42/175, 44/218 and S-18/3; UNCTAD resolutions 93 (IV) and 124 (V); the Final Act of the seventh session of UNCTAD, part II, section B; the Cartagena Commitment, part III, section D, and part IV, section E; eighth session of UNCTAD decision on a world commodity conference; Trade and Development Board resolution 286 (XXVIII), decisions 317 (S-XIV) and 398 (XXXVIII), annex B; and paragraphs 2.11, 2.14, 2.16 and 38.26 of Agenda 21, adopted by the United Nations Conference on Environment and Development.

13.38 The dominant feature of the world commodity economy in the 1980s was the prevalence of very low and declining real prices for most commodities on international markets and a resulting substantial contraction in commodity export earnings for many producing countries. Demand for commodities grew moderately because of slow economic growth and the declining rate of raw material usage per unit of gross domestic product (GDP), notably in industrialized countries. Potential growth in import demand for some commodities was not realized because of severe balance-of-payments difficulties in many countries. In addition, import demand declined at the end of the 1980s in the countries of Central and Eastern Europe. Growth in supply tended consistently to exceed growth in demand, largely as a result of specific policies of subsidization of production and of productivity improvements leading to production at lower cost, often with higher quality. There was an expansion in the range of commodities produced in a number of countries for both domestic consumption and export. In addition, the volume of traditional commodity exports of developing countries was often increased in response to structural adjustment programmes and to the need to generate foreign exchange earnings, including that to service debt obligations. Nevertheless, the share of developing countries in total world commodity exports declined because the volume and value of commodity exports of developed countries grew more rapidly during the 1980s. On the other hand, the share of developing countries in world commodity imports rose slightly. Developing countries in general remained heavily dependent on commodity exports for their foreign exchange earnings. While some of them experienced a decrease in the share of commodities in their total export earnings, the majority, particularly in Africa and Latin America, still depended on one or two commodities for more than fifty per cent of their export earnings.

13.39 The objectives of the subprogramme will include:

(a) Promotion of sound, compatible and consistent policies, which, *inter alia*, take into account market trends, at national and international levels in the commodity field;

(b) Improvement of the functioning of commodity markets by reducing the distortions affecting supply and demand, and by enhancing market transparency;

(c) Optimization of the contribution of the commodities sector to development by, *inter alia*, ensuring greater cost-effectiveness and productivity, thereby enhancing competitiveness;

(d) Gradual reduction in excessive dependence on the export of primary commodities through horizontal and vertical diversification of production and exports as well as crop substitution, within a macroeconomic framework that takes into consideration a country's economic structure, resource endowments and market opportunities;

(e) Enhancement of international assistance directed to viable commodity programmes and to an adequate expansion of investment, including private investment;

(f) Progressive removal of trade barriers, that is, trade liberalization, for commodity products;

(g) Sound management of natural resources with a view to achieving sustainable development;

(h) Improved efficiency and greater use of various mechanisms for risk management, having in mind the objective of minimizing the risks arising from commodity market fluctuations;

(i) To seek solutions to problems stemming from commodity-related shortfalls of developing countries and of developments in the field of compensatory financing of export earnings shortfalls;

(j) Promotion of coordination of activities of bodies involved in the commodity field;

(k) Reinforcement and improvement of producer and consumer cooperation in individual commodities in order to contribute to the solution of problems in the commodity area;

(l) Enhancement of technical cooperation in the field of commodities.

(b) Course of action of the secretariat

13.40 The UNCTAD secretariat will contribute to:

(a) Comprehensive analysis regarding commodity policy and exploration of new, market-oriented approaches to commodity policies, with a view to a possible world conference on commodities;

(b) Enhancing transparency in markets of agricultural and mineral commodities, and commodity-based products, through providing information on investment plans, prospects and markets for individual commodities;

(c) Review and comparison of national policies with the aim of enhancing the competitiveness of the commodities sector, taking into account market trends;

(d) Review and exploration of forms of international cooperation to support national efforts at institution-building, promotion of entrepreneurship, horizontal diversification and crop substitution and increased participation in processing, marketing and distribution, as well as efforts aimed at achieving a gradual reduction of excessive commodity

dependence, with a view to enhancing such support and increasing coordination among donor countries and international institutions;

(e) Enhancing understanding of the impact on diversification of market conditions in exporting and importing countries, including government policies, structural adjustment and forms and methods of trading;

(f) Enhancing understanding of the links between commodity policies, sound management of natural resources and the achievement of sustainable development;

(g) Exploring new approaches to minimizing the risks arising from commodity market fluctuations with reference, in particular, to the conditions, both technical and regulatory, for encouraging maximum participation in, and usage of, commodity exchanges by both users and sellers of commodities, and proposals to address these conditions;

(h) Reviewing the problems of shortfalls in the commodity export earnings of developing countries arising from market fluctuations as well as matters relating to compensatory financing of export earnings shortfalls, including actions taken or which might address problems identified in this area;

(i) Reviewing international cooperation on commodities, facilitating and coordinating activities of bodies involved in the commodity field, and analysing the need for, and encouraging, when considered necessary, the achievement of viable and efficient international agreements and arrangements that take into account market trends, as well as of study groups, both autonomous and within UNCTAD;

(j) Identification of technical cooperation requirements in the field of commodities and assistance in the mobilization of resources for technical cooperation.

13.41 In the light of the above, the UNCTAD secretariat will:

(a) Undertake a comprehensive analysis of the prospects of the international commodity economy and of commodity policy;

(b) Undertake periodic and global reviews on the situation of, and prospects for, commodities and compile statistical reports on commodity markets, prices and trends;

(c) Assist in improving the capability of developing countries to undertake commodity policy analysis through the development and implementation of a computerized commodity information and analysis system;

(d) Assist in diversification as well as processing, marketing and distribution programmes, including the improvement of information flows to aid investment decisions and technical cooperation programmes, particularly for human resources development;

(e) Support appropriate national commodity policies in developing countries as well as in countries undergoing the process of transition to a market economy, and in particular assist in devising comprehensive commodity-sector strategies for implementation at the country level with a view to enhancing the contribution of the commodity sector to sustainable development;

(f) Provide support for the promotion and development of resource-based industries, including commodity-related service activities;

(g) Review developments, undertake analysis and provide information and support to technical cooperation in the field of commodities and sustainable development, including on such possible topics as: the manner in which prices of natural commodities and their synthetic competitors could reflect environmental costs and resource values; the means by which the competitiveness of natural products with environmental advantages could be improved; the ways by which development of the commodity sector, including through diversification, and environmental concerns could be made mutually reinforcing; and additional international financial and technological support to developing countries for the development and dissemination of technologies to cope with environmental problems that are specific to commodity production and processing;

(h) Explore various mechanisms, including market-linked price-hedging mechanisms such as commodity futures and options and related longer-term mechanisms such as commodity swaps, bonds and loans, obstacles to their potential use and modalities for overcoming them; and provide information and technical cooperation in this regard;

(i) Follow developments in various compensatory financing schemes and their implications for the development of developing countries;

(j) Facilitate intergovernmental consultations and actions among interested countries on the problems of particular commodities or groups of commodities and, as necessary, the negotiation and renegotiation of international commodity agreements and arrangements, as well as study groups;

(k) Follow the work of commodity bodies, including that of the Common Fund for Commodities, provide information and assistance as required and, when appropriate, in cooperation with them, review the market situation for specific commodities.

SUBPROGRAMME 3. DEVELOPMENT FINANCE AND DEBT

(a) Objectives

13.42 The legislative authority for this subprogramme derives from General Assembly resolution 46/148; Final Act of the seventh session of UNCTAD paragraphs 3 (c) and (d), and 34-69; Trade and Development Board resolutions 165 (S-IX), 222 (XXI), 358 (XXXV), 375 (XXXVI), and decisions 393 (XXXVIII) Part B and 398 (XXXVIII), annex C; the Cartagena Commitment, paragraphs 63, 106 and 117; and paragraphs 33.16 to 33.18 and 38.26 of Agenda 21, adopted by the United Nations Conference on Environment and Development.

13.43 While some developing countries have managed to achieve rapid economic growth and satisfactory external financial positions in recent years, many others have continued to experience acute difficulties with regard to the mobilization of resources for development. The difficulties of the latter have in many cases contributed to serious backsliding in development efforts in areas such as food security, poverty reduction, human resource development, infrastructural investment and environmental conservation. The primary source of financing for development has been, and will remain, developing countries' own savings. A substantial increase in savings is probably not feasible in most developing countries in the absence of faster growth. But there is still considerable scope for improving the allocation and utilization of savings and for reversing capital flight. Increased amounts of external financing will also be needed to supplement developing countries' domestic savings on conditions that take proper account of the specificity of the economic needs and situations of developing countries. Private lending is unlikely to revive substantially for most countries in the near future, and total resource flows in real terms have in recent years remained well below the levels of the early 1980s. Special importance thus attaches to the mobilization of external finance in forms such as official flows and foreign direct investment and continuing to work towards solutions to the debt problems that still remain despite recent improvements in the international debt strategy. An important part of the additional financial effort required in the 1990s will be the mobilization of international finance for the protection of the environment.

13.44 The objectives of the subprogramme will include:

(a) Strengthening of international cooperation for development involving fresh approaches to development finance;

(b) Consideration of policies and the regulatory framework in recipient countries, capital exporting countries and multilateral institutions that are supportive of generating foreign direct investment and other non-debt-creating finance for development;

(c) Exploration of new mechanisms for increasing investment and financial flows, including finance for environmental protection and development;

(d) Consideration of further evolution of the international debt strategy.

(b) Course of action of the secretariat

13.45 The UNCTAD secretariat will support these objectives by examination of trends in various categories of financial transfers and analysis of new flows of funds and techniques of resource transfers. In the area of debt, research and analysis will be carried out on the implications of the continuing debt problems for the development process of developing countries and on the evolution of the international debt strategy, encompassing all categories of debt. The main subjects of the UNCTAD secretariat's work will cover:

(a) Fresh approaches to intensified international cooperation on development finance;

(b) Favourable conditions and policies for attracting foreign direct investment and other non-debt-creating flows and their contribution to the development process;

(c) Problems of access to capital markets and other sources of external finance;

(d) Policies and measures that could contribute to the return of flight capital;

(e) The role and improvement of official development assistance in supporting domestic investment efforts;

(f) Additional and innovative financing for environmental protection and development (e.g. the feasibility of tradeable permits);

(g) Research and analysis in the area of debt, as well as technical cooperation with developing countries in debt renegotiation, and provision of advice to them on debt issues.

SUBPROGRAMME 4. INVESTMENT AND TECHNOLOGY

(a) Objectives

13.46 The legislative authority for the subprogramme derives from General Assembly resolutions 42/175, paragraphs 1-4, S-18/3, annex, paragraph 28, 45/199, annex, paragraphs 55-61, 45/210, paragraphs 1 and 2, 46/208, paragraph 3, 46/214, paragraphs 1-3; Final Act of the Seventh Session of UNCTAD, paragraphs 105 (3), 19 (ii) and (24); the Cartagena Commitment, in particular paragraph 176; Trade and Development Board resolutions 380 (XXXVI), paragraphs 4 and 5, and 393 (XXXVIII), paragraphs 5-8, and decisions 384 (XXXVII), paragraphs 1-10, and 398 (XXXVIII), annex C; and chapter 34, paragraphs 33.17 and 38.26 of Agenda 21, adopted by the United Nations Conference on Environment and Development.

13.47 Technology has increasingly become a determinant of the ability to participate in world trade in manufactures and services. In the context of globalization in the world economy, the prospects for the technological progress of developing countries are determined, inter alia, by their access to technology, by developments in intellectual property protection and by the development of their human resources. The revitalization of technology flows and of investment, and their positive contribution to development requires an increase in the capacity to absorb imported technology, especially in least developed countries, where domestic efforts to improve infrastructure, raise educational standards and train technicians call for sustained international support. The growing international concern of ecologically sustainable development has added a new dimension to this problématique.

13.48 The objectives of the subprogramme will be:

(a) To contribute to the expansion of international trade and investment and cooperation in the field of transfer of technology, including environmentally sound technology, through, inter alia, cooperative schemes, incentive measures and inter-enterprise collaboration arrangements;

(b) To enhance national technology development policies in the context of an appropriate policy framework that would promote entrepreneurship and encourage technology transfer, including through foreign direct investment, accompanied by measures for the domestic absorption of such technologies and would provide incentives for investment in technology capacity-building, including research and development, innovation, adaptation and development of technologies supportive of national objectives and priorities;

(c) To enhance the capacity to cope with the rapid changes in technology that are having a major impact on trade and development, particularly of the developing countries, giving increased and systematic attention to the trade and development opportunities and implications of new and emerging technologies, while taking into account the interrelationship between policies in the areas of technology, investment and international trade;

(d) To promote policies in the area of technology that further the goal of trade expansion for the benefit of all trading partners, particularly developing countries, and promote investment, innovation and absorption, utilization and development of technological and entrepreneurial capabilities;

(e) To examine and encourage new initiatives and exchange of experiences on investment and technology policies that are conducive to overcoming constraints and facilitating technology transfer through investment, and the generation, transfer and diffusion of technology, including environmentally sound technologies that have an impact on competitiveness and development.

(b) Course of action of the secretariat

13.49 The UNCTAD secretariat will contribute to:

(a) Identification and use of opportunities for greater international cooperation, including cooperation between enterprises and in research and development activities;

(b) Formulation and adoption of national policies and international measures and initiatives promoting investment, technological innovation, transfer and absorption of technology;

(c) Creation of a better awareness of the impact of technological change on investment decisions and production patterns, trade competitiveness and national capacities for innovation and adaptation, as well as of the role of foreign investment in technology transfer and technology development.

13.50 In the light of the above, the UNCTAD secretariat will:

(a) Undertake policy-oriented studies on the transfer and absorption of technology, innovation and research and development, and examine the factors, including foreign investment, that affect the capacity of developing countries to acquire, adapt and improve imported technology, including organizational technology;

(b) Study the role of private firms, Governments and international organizations in the transfer of technology, related improvement of entrepreneurial capabilities, and in the creation and dissemination of technology, including investment in research and development and training;

(c) Undertake research and policy analysis of technology issues in their interrelationship with trade in goods and services, investment, finance and the environment;

(d) Analyse the impact of technological change, including new and emerging technologies, on investment decisions and production patterns, trade competitiveness and national capacities for innovation and adaptation;

(e) Review current developments affecting the flows of technology to developing countries, including modalities for channelling these flows, and analyse the challenges and opportunities for transfer of technology to and from countries undergoing the process of transition to a market economy;

(f) Examine the implications of laws and regulations conducive to the transfer and development of technology, and carry out a comparative analysis of the role of different national legal systems in promoting investment, innovation and transfer of technology;

(g) Analyse the role of intellectual property protection in international investment and technology flows and the development of endogenous technological capabilities;

(h) Contribute to further work on a code of conduct on the transfer of technology, subject to the convergence of views of Governments necessary to reach agreement on all outstanding issues;

(i) Provide substantive support for technical cooperation activities in order to enhance the technological capacities of developing countries and respond to their changing needs for technical assistance. In this respect, priority consideration will be given to the preparation of assessments of developing countries' needs and requirements for building up their capacity to evaluate, select, negotiate, acquire and develop technology; assisting these countries in exploring possibilities for technological cooperation, including between enterprises, at the regional and interregional levels; programmes for the training of human resources, including in the areas of the formulation of sound technology policies and the development of technical and managerial capabilities, having particular regard to new technologies, innovation and commercialization of technologies, inclusive of the role of research and development institutes; and the transfer, adaptation and generation of environmentally sound technologies that have an impact on competitiveness and development.

SUBPROGRAMME 5. POVERTY ALLEVIATION

(a) Objectives

13.51 The legislative authority for the subprogramme derives from the Cartagena Commitment, in particular paragraphs 63 (2) and 70; Trade and Development Board decision 398 (XXXVIII), annex B; and chapter 3 and paragraph 38.26 of Agenda 21, adopted by the United Nations Conference on Environment and Development.

13.52 Over 1,100 million people in the world are estimated to live in poverty, of whom over 600 million are considered to be extremely poor. While the share of poverty in total population, although not the absolute numbers of the poor, has fallen in Asia, poverty rates, both absolute numbers and the share of the population, have increased in sub-Saharan Africa and Latin America. The number of women living in absolute poverty in rural areas, where most of the extremely poor are concentrated, has also increased over the last 20 years from an estimated 370 million to about 550 million. This aggravation of the poverty situation is translated not only in increased human deprivation and suffering but also in increased marginalization of large sections of the population and in further environmental degradation on account of poor farming techniques and misuse of forest and other natural resources. It provides a striking demonstration of the utter failure of development strategies and policies in the countries concerned. It also has led to a growing international consensus that poverty alleviation and eradication needs particular attention as one of the priority aspects of development. Questions that will need to be addressed include the relationship of growth to poverty alleviation, including the question of socially equitable growth; policy reforms to address the problems of the poor and other vulnerable groups, particularly the consequences of structural adjustment programmes, including the provision of "social safety nets", as well as measures to increase their access to productive resources, employment opportunities and basic needs; and the link between poverty alleviation and natural resource management and improvement. Attention will also have to be given to some particular dimensions of poverty, including the rural concentration of extreme poverty and the gender dimension, in view of the fact that 20 to 30 per cent of rural households in developing countries (excluding China and India) are headed by women.

13.53 The objectives of the subprogramme will be to contribute to national and international efforts to alleviate and reduce poverty, particularly where it is more acute, and to the formulation of related national and international policies, bearing in mind the diversity of country situations, including the particular problems of the least developed countries and the most vulnerable population groups; and, in this connection:

(a) To review existing information and analyses on the characteristics, causes, location, dimensions and dynamics of poverty, as well as on related indicators;

(b) To facilitate the exchange and review of national experiences in dealing with poverty; to identify impediments to poverty alleviation; and, with a view to promoting greater understanding of successful national policies, to identify policy options for the prevention and alleviation of poverty;

(c) To consider the impact of development assistance and cooperation programmes, including emergency assistance programmes, on the alleviation and reduction of poverty and to develop approaches to promote effective programmes;

(d) To consider questions related to the financing and organization of social development programmes in developing countries, particularly in the areas of health, education, housing and sanitation;

(e) To examine the impact of trade expansion on poverty alleviation;

(f) To identify the linkages between the alleviation of poverty and the achievement of sustainable development;

(g) To examine the relationship between poverty alleviation and migrations and other demographic factors.

(b) Course of action of the secretariat

13.54 The UNCTAD secretariat will contribute to:

(a) Enhancing knowledge and information on the characteristics, causes, location, dimensions and dynamics of poverty, having regard to intercountry differences, intra-country differences (rural, urban, different population groups, etc.) and differences over time (structural versus transitional poverty);

(b) Enhancing understanding of successful national policies in dealing with poverty alleviation and reduction, with reference to particular areas and their interrelationships, with a view to identifying elements for a comprehensive or integrated approach to effective action in this area;

(c) Enhancing understanding of factors influencing the delivery, effectiveness and sustainability of development assistance and cooperation programmes, including emergency assistance programmes, as well as domestic social development programmes, in dealing with poverty alleviation and reduction;

(d) Improving understanding of the linkages between trade expansion and poverty alleviation, as well as of the relationships between key poverty alleviation policies and the evolution of demographic trends and migrations;

(e) Enhancing understanding of the linkages between the alleviation of poverty and the achievement of sustainable development, particularly the extent to which national and international policies for the sustainable management of resources succeed in reducing poverty.

13.55 In the light of the above, the UNCTAD secretariat will:

(a) Undertake, in cooperation with other entities and organizations, inside and outside the United Nations system, a critical analysis of the existing policy studies and information on poverty issues relating to the characteristics, causes, location, dimensions and dynamics of poverty, as well as poverty indicators, with a view to identifying gaps that may need to be addressed and poverty indicators that may need to be developed or improved; and establish and maintain a database on poverty indicators;

(b) Undertake or utilize, where possible, studies of a broad and representative cross-section of national experiences in dealing with poverty alleviation and reduction, with reference to particular areas including, inter alia, human resources and community development; social infrastructure development; employment creation and increasing productivity of the poor; distribution of income and social benefits of development in rural and urban

areas; social safety nets; access of the poor to productive assets; the impact of structural reform programmes on poverty alleviation and the participation of the poor and vulnerable groups in development; and draw lessons from these studies that can help Governments to formulate successful policies, including elements of an integrated strategy;

(c) Undertake studies, on the basis of national experiences, on the effect of trade expansion on poverty alleviation, including policies targeted at the poor; the relationship of poverty alleviation to the achievement of sustainable development, including natural resource management; and the relationship of poverty alleviation to the evolution of demographic trends and migrations; and draw lessons from these studies in order to facilitate governmental and intergovernmental consideration of these issues.

SUBPROGRAMME 6. ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES

(a) Objectives

13.56 The legislative authority for the subprogramme derives from General Assembly resolutions 45/203 and 46/145; the Cartagena Commitment, paragraphs 228-239; and Trade and Development Board decision 398 (XXXVIII), annex B.

13.57 The recent changes in the global political and economic environment have made the role of economic cooperation among developing countries (ECDC) in any global strategy of development even more important. In the new context of market-oriented reforms and export-oriented growth strategies that are being pursued by most developing countries, ECDC should also be seen as a means of securing the integration of developing countries into the world economy and of increasing their capacity to produce, achieve economies of scale and become internationally competitive.

13.58 The optimism of the 1970s about the potential of ECDC was not borne out by the record of the 1980s. South-South trade and economic relations remain the weakest link in the network of international economic relations. Even so, interest in political support for ECDC has remained undiminished in recent years, and integration processes at the regional and subregional level have received fresh impetus. Virtually every subregional and regional grouping has taken initiatives to improve its instruments of cooperation and to adapt them to the new realities. There is currently a stronger recognition of the link that should exist between national development policies and long-term integration objectives.

13.59 The expansion of trade, which is at the centre of cooperation efforts within groupings, depends vitally on the reduction of tariffs, the elimination of non-tariff barriers, the introduction of more transparent and simple customs procedures, macroeconomic policy coordination to ensure the needed convergence of national price trends and exchange-rate stability, and effective clearing and payments arrangements, as well as the improvement of physical infrastructure. In this connection, efforts to achieve a successful implementation of the Global System of Trade Preferences among developing countries would need to be pursued.

13.60 While the implementation and strengthening of ECDC is primarily the responsibility of developing countries, the international community should play a significant role in ECDC success through its financial assistance, technical cooperation and other support for specific economic cooperation programmes and projects of individual interregional, regional and subregional integration groupings, as well as for regional infrastructural projects covering such areas as environment, communications and transport infrastructure, to complement the efforts of developing countries to strengthen South-South trade and economic relations.

13.61 The objectives of this subprogramme will be:

(a) To strengthen and enlarge subregional, regional and interregional economic cooperation among developing countries;

(b) To identify new potentials for cooperation among developing countries, including their cooperation with other interested countries;

(c) To identify new areas of complementarities among developing countries and policy measures for fostering cooperation in such areas;

(d) To contribute to activities in particular sectors aimed at strengthening cooperation, enhancing economic growth, increasing trade liberalization and transparency, promoting developing country enterprises and facilitating the integration of developing countries into the world economy, in order to reduce impediments and disincentives that adversely affect the expansion of cooperation among developing countries and promote policies aimed at the expansion of trade, taking into account the special situation and the particular difficulties of the least developed countries;

(e) To identify areas, including new ones, in which international organizations, and member States on a voluntary basis, through measures of support can facilitate specific economic cooperation programmes and projects and thereby complement the efforts of developing countries to strengthen South-South trade and economic relations;

(f) To facilitate innovative ways of organizing economic cooperation on the basis of common interests of particular groups of countries in issues of specific interest to them.

(b) Course of action of the secretariat

13.62 The UNCTAD secretariat will contribute to:

(a) Enhancing understanding of the processes and instruments of successful economic cooperation in all its forms both among developed and developing countries, as well as between developed and developing countries;

(b) Improving awareness of the importance of strengthening and supporting subregional, regional and interregional groupings, including involving cooperation between developing countries and other countries, as building blocks for the further integration of developing countries into the world economy;

(c) Promotion and deepening of monetary and financial cooperation among developing countries, especially in relation to trade financing, the development of cooperative financial arrangements, the opening up of market opportunities for financial cooperation and improving the clearing and payments arrangements of developing countries;

(d) Fostering of cooperation among developing countries in areas of increasing importance such as trade, technology, investment, environment, services, transport and communications, human resources development and management, training and information;

(e) Promotion of developing country enterprises and entrepreneurship, as well as encouragement of cooperation among such enterprises;

(f) Identification of areas where financial assistance and technical cooperation in support of economic cooperation among developing countries may be strengthened, and the mobilization of such support;

(g) Strengthening the coordination of activities in this area, including the undertaking of joint activities, particularly with the regional commissions.

13.63 In the light of the above, the UNCTAD secretariat will:

(a) Monitor, analyse and review the progress of economic cooperation and integration within both established and emerging subregional, regional and interregional groupings;

(b) Identify new potentials for economic cooperation at interregional, regional and subregional levels, as well as for cooperation between groupings of developing countries and between these groupings and other interested countries or groups of countries;

(c) Undertake comparative studies of experiences within regional and subregional groupings in order to identify major disincentives and impediments to integration and cooperation, including in areas of increasing importance; and draw lessons for the identification of elements necessary for the achievement of success;

(d) Provide advisory and technical support for regional and subregional programmes of economic integration and cooperation, including assistance in connection with the mobilization of financial and other support for these programmes, and cooperate with and lend support to similar work undertaken by the regional commissions;

(e) Undertake studies, compile and disseminate information relating to enterprises (and their associations at national, subregional, regional and intraregional levels) as a means of promoting investment flows among developing countries; promote contacts and cooperation among enterprises of developing countries and their organizations through, inter alia, workshops, seminars and business meetings;

(f) Provide advisory and technical support for programmes of cooperation among enterprises and their organizations, including the development of investment information and promotion centres;

(g) Undertake studies and, if appropriate, make proposals on the establishment of, and support for, an interregional trade finance mechanism among developing countries;

(h) Undertake studies on innovative ways of organizing economic cooperation on the basis of common interests of particular groups of countries in issues of specific interest to them;

(i) Analyse and examine possibilities of strengthening domestic capital markets and payments arrangements in and among developing countries, as instruments of growth and economic cooperation;

(j) Prepare comparative analyses on the role and functions of credit and lending institutions, including lending practices, impediments and prospects of access to such institutions by the weaker segments of society, including small and medium-sized enterprises, and women entrepreneurs;

(k) Analyse the needs of financial and other support to regional and subregional economic cooperation programmes and projects and possible approaches to enhance the scope and effectiveness of such support;

(l) Examine the process of support and assistance from bilateral and multilateral sources to selected groupings and propose approaches to improve that process, as well as to enlarge its scope to cover other groupings;

(m) Prepare background and training materials and organize group training, particularly relating to the ways and means of obtaining technical and other support for regional and subregional cooperation programmes and projects.

SUBPROGRAMME 7. GLOBAL INTERDEPENDENCE: THE INTERNATIONAL TRADING, MONETARY AND FINANCIAL SYSTEMS; INTERNATIONAL IMPLICATIONS OF MACROECONOMIC POLICIES

(a) Objectives

13.64 The legislative authority for the subprogramme derives from General Assembly resolution S-18/3; the Final Act of the seventh session of UNCTAD; the Cartagena Commitment, paragraphs 12, 33, 34, 63 and 150.

13.65 There remain serious imbalances in the global economy. Key sectors covering trade flows in goods and services and developments in the areas of trade, money, finance, debt and commodities, are now more closely integrated. Linkages among economies, as well as between major issues of economic policy, have strengthened, and the interactions between the domestic economic policies of Governments, internationally accepted rules and disciplines, and the operation of market processes have become stronger and more diversified, thus highlighting the need for greater coherence between international trading, monetary and financial policies and more effective multilateral surveillance. Good international economic management requires full respect by all countries of agreed multilateral rules.

13.66 The objectives of the subprogramme will be:

(a) To help build international consensus on action to strengthen global interdependence and to reduce imbalances in the global economy for the benefit of all countries, especially developing countries;

(b) To study international implications of macroeconomic policies and issues related to their coordination; the evolution of the international trading, monetary and financial systems; good management at the international level; and effective multilateral surveillance.

(b) Course of action of the secretariat

13.67 The UNCTAD secretariat will:

(a) Undertake research and analysis on issues of global interdependence, both among sectors and geographic areas, encompassing relationships between short-term phenomena and policy issues and longer-term development trends and implications, and structural changes in the world economy;

(b) Study trends and issues in the international trading, monetary and financial systems, including their coherence and the policy conclusions deriving therefrom for the coordination and surveillance of policies, in particular, macroeconomic policies;

(c) Provide up-to-date quantitative analyses to support the effective examination by intergovernmental bodies of the economic situation of individual economies, including, in particular, that of developing countries, and of the world economy as a whole;

(d) Improve the System for Interlinked Global Modelling and Analysis (SIGMA) to enable the secretariat to address more precisely complex problems of policy coordination among countries and among sectors in a context of uncertainty and in particular to examine the role of national policies in the international economic system;

(e) Improve the analytical framework in order to make it more relevant to new policy issues such as, inter alia, the alleviation of poverty and sustainable development.

SUBPROGRAMME 8. ENLARGED ECONOMIC SPACES, REGIONAL INTEGRATION PROCESSES AND SYSTEMIC ISSUES OF INTERNATIONAL TRADE

(a) Objectives

13.68 The legislative authority for the subprogramme derives from General Assembly resolutions 44/219, paragraph 6, 45/201 and 45/203; the Cartagena Commitment, paragraphs 14, 63 (3), 125, 146, 149 and 150; the Final Act of the seventh session of UNCTAD, paragraphs 105 (23 and 24) and 143-145.

13.69 At present, major initiatives are taking place to strengthen institutional arrangements in the area of international trade with a view to further reinforcing the multilateral trading system. At the same time, there has been a resurgence of interest in integration arrangements centring on

common markets, customs unions or free trade areas. Groupings aimed at enhancing economic cooperation among developing countries are being strengthened. These efforts should be supported by the international community. Large economic spaces involving major trading partners have emerged, which could foster competitiveness, contribute to trade liberalization and help impart new dynamism to international trade. Through their growth effects, these economic spaces could lead to an expansion of market opportunities for other countries, including developing countries. Thus these arrangements are to be welcomed, keeping in mind that they must respect accepted international rules with regard to their impact on non-participating countries and strengthen the multilateral trading system.

13.70 The objectives of the subprogramme will be:

(a) To help ensure that economic integration arrangements impart dynamism to global trade and growth and enhance the trade and development possibilities for all countries, particularly developing countries, and that they serve to strengthen the multilateral trading system;

(b) To contribute to the achievement of an equitable, secure, non-discriminatory and predictable international trading system;

(c) To contribute to the promotion of regional and subregional integration, particularly among developing countries, as a complementary means to strengthen the trade liberalization process in the world economy;

(d) To facilitate, in a timely way, the integration of all countries into the world economy and the international trading system.

(b) Course of action of the secretariat

13.71 The UNCTAD secretariat will contribute to:

(a) Enhancing understanding of the evolution and consequences of the emerging enlarged economic spaces and regional integration processes, including their impact on the international trading framework;

(b) Enhancing understanding and building consensus among Governments relating to factors underlying developments relating to the international trading system and its functioning with a view to facilitating the implementation of the objectives of the international community in this field.

13.72 In the light of the above, the UNCTAD secretariat will:

(a) Analyse developments related to economic integration processes, especially those with a major impact on trade and development, particularly of the developing countries, and their implications for the international trading system;

(b) Analyse and identify product and export market opportunities arising from measures and arrangements to promote or enlarge regional integration;

(c) Undertake research and analysis of developments and issues in international trade relations, including systemic issues, with a view to bringing fresh thinking on long-standing problems and the identification and treatment of key emerging issues of trade and development, including an early warning perspective;

(d) Provide substantive support to technical cooperation programmes and activities in the area of trade with the objective of enhancing the participation of developing countries and countries undergoing the process of transition to a market economy in the international trading system, including assistance for the improvement of the infrastructures to support effective participation of countries in trade negotiations on goods, services and other interrelated issues at the regional and multilateral levels, as well as effective implementation of the results of the Uruguay Round.

SUBPROGRAMME 9. PRIVATIZATION, ENTREPRENEURSHIP AND COMPETITIVENESS

(a) Objectives

13.73 The legislative authority for this programme is derived from General Assembly resolutions 45/188, in particular the ninth preambular paragraph and paragraph 3, and 46/166, in particular paragraphs 6 and 12; the Cartagena Commitment, in particular paragraphs 4, 30, 31, 63 (4), 79 and 95; and Trade and Development Board decision 398 (XXVIII), annex C.

13.74 Privatization and the liberalization of entry into activities previously restricted to public enterprises are important options being pursued in many countries, in addition to far-reaching reforms of their public enterprise sectors. These measures can play important roles, including by increasing savings and investment, promoting more effective allocation of resources and improving dynamism and competitiveness, when accompanied by an effective regulatory framework to foster competition and efficiency and to prevent the emergence of private monopolies. Efficiency gains can also be expected from privatization by bringing the principles of management, control, investment and operations of the enterprises concerned, more closely into line with market practices, and by enabling these enterprises to reach levels of performance that allow them to react to market signals and to compete on domestic markets as well as abroad.

13.75 Further, it is increasingly being recognized that the use of market signals and the fostering of entrepreneurial initiatives improve efficiency, competitiveness and the contribution of public and private sectors to development, while governmental actions may be necessary to complement the operation of markets or to correct market deficiencies.

13.76 The objectives of the subprogramme will be:

(a) To promote greater efficiency in economic activities; a more effective allocation of resources and dynamism and competitiveness through restructuring or privatization of enterprises and/or economic sectors; employment creation; social benefit distribution and economic development in general;

(b) To clarify the options available for the reform of public enterprises, and the pace and scale of privatization and restructuring processes, taking into account relevant factors, including the diversity of country situations;

(c) To strengthen private sector development, increase competition and, where appropriate, render public enterprises more efficient and effective by promoting market-oriented approaches to their operations;

(d) To improve the design, implementation and financing of privatization programmes, taking into account the diversity of country situations, and to identify possible guidelines for formulating privatization programmes and plans;

(e) To identify opportunities for international cooperation to enhance the effectiveness of national programmes for privatization and restructuring of public enterprises and the development of a sound private sector;

(f) To contribute to the formulation of policies and support measures for the development of entrepreneurial and managerial skills needed for the functioning of a modern export-oriented economy and in particular for enterprise development, as well as for the implementation of privatization and restructuring programmes.

(b) Course of action of the secretariat

13.77 The UNCTAD secretariat will contribute to:

(a) Strengthening the capacity of individual countries to define appropriate policies and support measures to improve the efficiency of public enterprises, to enhance opportunities for private enterprises and to derive greater benefits from the more effective operation of markets;

(b) Clarifying major underlying factors and implications of various options for public enterprise reform, privatization and liberalization of economic activities, under varying country situations;

(c) Enhancing understanding of the common elements and differences between privatization issues and prospects of countries at various stages of economic development, by identifying problems and approaches peculiar to different country situations;

(d) Improving techniques and instruments for the design and implementation of privatization and restructuring programmes, identifying options for their financing and for attracting domestic and foreign investments;

(e) Identifying the scope for strengthening complementary policies that can enhance the privatization process and its effects, such as policies for private sector development, competition, liberalization, deregulation and general employment and social security policies;

(f) Evaluating the scope and opportunities for international cooperation for strengthening privatization and restructuring processes and enhancing human resources development for Governments and enterprises involved in such processes;

(g) Enhancing the capacity of individual countries to identify the entrepreneurial and managerial skills needed to increase the productivity and competitiveness of their national economies, and to define a policy framework for the development of such skills through training, the organization of exchanges of information and experiences with other countries, and so on.

13.78 In the light of the above, the UNCTAD secretariat will:

(a) Carry out studies of the role of the Government in selected countries in encouraging private initiative and entrepreneurship and in facilitating private sector and enterprise development, with particular emphasis given to sectors falling within UNCTAD's competence including, for example, various services sectors;

(b) Prepare analytical reports on issues of privatization;

(c) Undertake in-depth studies of national experiences with privatization and restructuring of public enterprises in countries at different stages of economic development;

(d) Evaluate various techniques for privatization, taking into account the diversity of country situations;

(e) Study instruments for domestic financing of privatization and evaluate factors conducive to attracting foreign direct investment in privatization;

(f) Study the social and employment aspects of privatization and restructuring, including ad hoc mechanisms for social safety nets, employee motivation and retraining, and employment creation;

(g) Identify policies promoting an enabling environment for privatization, in such areas as competition, private sector and enterprise development, fiscal and financial policies, and education and vocational training;

(h) Undertake studies of selected national experiences in the development of private initiative and entrepreneurship as a factor in enterprise development and in enhancing the functioning and development of their national economy, with particular emphasis given to sectors falling within UNCTAD's competence, including, for example, the organization of commodity production and trade;

(i) Facilitate the exchange of information among individual countries concerning entrepreneurial and enterprise development, trade, investment and technology possibilities and the related laws and regulations as well as privatization plans and experiences; build up an information and advisory service and organize selected training programmes through Training in the Field of Foreign Trade.

SUBPROGRAMME 10. DOMESTIC REFORMS AND RESOURCE MOBILIZATION

(a) Objectives

13.79 The legislative authority for the subprogramme derives from the Cartagena Commitment, in particular paragraphs 4, 5, 22, 24, 29-31, 53, 63 (4), 91-95, 98 and 99; and Trade and Development Board decision 398 (XXXVIII), annex D.

13.80 The poor development performance registered by many developing countries has made it imperative to seek improvements in national policy-formulation and execution, taking into account the complex interrelationship between policy efforts in different fields including the external sector. The problems faced by Governments include inflation; external deficits; excessive internal and external debt; low factor productivity; misallocation of resources; inadequate investment; underutilization of human and national resources; unemployment; insufficient competitiveness; public sector inefficiency; and redefining the respective roles of the state and the private sector.

13.81 Reforms include structural or sectoral reforms, for example, in areas of investment policy and deregulation, aimed at improving efficiency, competitiveness and the climate for investment and enterprise. Governmental action may be necessary when markets left to themselves are unable to deal with the phenomenon of externalities and public goods, to address questions of income distribution, to provide for economic and social safety needs and to assist disadvantaged groups to gain access to market opportunities. Public intervention, on a selective basis, could also be required to foster competition.

13.82 The objective of the subprogramme will be:

(a) To help to identify, taking into account the diversity of country situations, the scope and nature of domestic economic reforms needed and the costs and benefits of alternative policy approaches and options;

(b) To contribute to the identification of ways and means of reallocating resources from expenditures on armaments towards socially productive uses and generation of additional finance for sustainable development, as well as of converting military capacities to civilian uses in order to adjust production structures to development priority needs.

(b) Course of action of the secretariat

13.83 The UNCTAD secretariat will support intergovernmental consideration of the issues involved, with reference to national and international policies, and the determinants of success in economic development.

13.84 The UNCTAD secretariat will prepare analytical reports on issues of domestic reform. These reports will stem from research by the secretariat itself, as well as from syntheses of research undertaken by other institutions, and will aim to distil lessons and policy advice from the experiences of all countries in promoting sustained growth and development, particularly as regards macroeconomic and structural policies and the following topics:

(a) Mobilizing financial and human resources;

(b) Supplementing market outcomes to ensure respect for social values;

(c) Structural adjustment for the transition to disarmament, and the implications for economic growth and development of reductions of military expenditures, taking into account the specific and individual situation of countries;

(d) Economic aspects of conversion of military capacities and technologies to civilian uses.

SUBPROGRAMME 11. ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

(a) Objectives

13.85 The legislative authority for the subprogramme stems from the Cartagena Commitment, in particular paragraphs 38-44, 63 (5), 118-120, 151-155, 176 (b) and 208; Trade and Development Board decisions 384 (XXXVII) and 393 (XXXVIII); and chapters 2, 3, 4, 33, 34, 38 and 39 of Agenda 21, adopted by the United Nations Conference on Environment and Development.

13.86 As recent experience shows, serious conflicts between certain patterns of economic development and environmental goals, as well as between economic and environmental policies, can arise in relation to the global, regional or national environment. This implies the need for changes in national economic behaviour, including changes in the patterns of production and consumption, as well as enhanced international cooperation so as to make economic development and environmental protection mutually supportive.

13.87 The objectives of the subprogramme will be:

(a) To ensure effective follow-up to the decisions relating to the environment and sustainable development taken by the eighth session of UNCTAD and those of the United Nations Conference on Environment and Development which fall within the areas of competence of UNCTAD;

(b) To develop an integrating framework for support to international and national policies for ensuring that economic growth and development and the protection of the environment are mutually reinforcing.

(b) Course of action of the secretariat

13.88 The UNCTAD secretariat will contribute to:

(a) Innovative thinking on the establishment of a framework for coexistence between environmental measures and international trade policies and rules;

(b) Enhancing understanding of the interactions between trade in services and environmental protection;

(c) Identification of means to provide developing countries with additional resources for environmental protection and development;

(d) Exploration and promoting of policies aimed at generating, adapting and disseminating environmentally sound technologies;

(e) Promotion of the sound management of natural resources;

(f) Enhancing understanding of the relationship between the alleviation of poverty and the achievement of sustainable development.

13.89 In the light of the above, the secretariat will undertake follow-up action with regard to the decisions of the eighth session of UNCTAD relating to environment and sustainable development, as well as those of the United Nations Conference on Environment and Development which fall within the areas of competence of UNCTAD, within the context of an integrating framework for support to international and national policies in the areas of trade, finance, technology, services, natural resources management and poverty alleviation with a view to ensuring that development and environmental protection are mutually supportive.

13.90 Based on the work done in the areas of international trade, commodities, finance, technology, and poverty alleviation, the UNCTAD secretariat will:

(a) Undertake cross-sectoral studies, in particular on the interrelations between trade, finance, technology, services and commodities as key dimensions of international cooperation for the promotion of sustainable development;

(b) Contribute to the design and implementation of national policy frameworks or plans based on a cross-sectoral approach, focusing in particular on (i) a set of policies required for alleviating poverty as a basic condition for addressing environmental concerns and achieving sustainable development; (ii) promotion of sound management of natural resources in the commodities sector combined with appropriate policies of diversification with a view to achieving compatibility of production and export needs with the sustainability of the natural resource base; and (iii) promotion of a dynamic generation and development of environmentally sound technologies as a basic condition for evolving towards sustainable patterns of production and consumption. Such an approach should lead to proposals for fostering an integrative planning process, ensuring dynamic and positive linkages between technological, sectoral and macroeconomic policies;

(c) Examine the most appropriate economic and regulatory tools and instruments required for promoting ecologically sound development without hampering the growth process at the national level, and trade expansion and competitiveness at the international level;

(d) Assist developing countries in their preparations for ongoing or future international environmental deliberations, including those concerning flows of finance and technology, the management of natural resources related to exports, and issues having implications for international competition and trade;

(e) Provide substantive support to technical cooperation activities in relation to the above.

SUBPROGRAMME 12. DATA MANAGEMENT

(a) Objectives

13.91 The legislative authority for the subprogramme derives from Trade and Development Board decisions 187 (XIX), 354 (XXXIV), 359 (XXXV), 384 (XXXVII) and 393 (XXXVIII); General Assembly resolutions 45/210, 46/145, 46/159 and 46/211; Economic and Social Council resolution 1991/70; and the Cartagena Commitment, paragraph 155.

13.92 The objectives of the subprogramme will be:

(a) To improve the availability and use of timely and reliable statistics derived from international and national sources, for the purpose of economic analyses and trade negotiations;

(b) To, in collaboration with Governments and subregional groupings, and for the purpose of trade policy analysis and technical cooperation activities, further develop, maintain, adjust and disseminate UNCTAD's Database on Trade Control Measures, particularly those measures which have a bearing on the environment, in order to enhance in general transparency of the international trading conditions and in particular the analysis of interlinkages between environment and trade;

(c) To provide support to the development and maintenance of computerized systems in the respective substantive programmes.

(b) Course of action of the secretariat

13.93 In the area of statistics, the UNCTAD secretariat will:

(a) Continue to review the structure, content and relevance of recurrent statistical publications in order to meet the needs of the organization and other users;

(b) Continue to improve the external trade statistics, including deflators;

(c) Continue to collect, process and publish statistics on trade and financial flows;

(d) Maintain and improve the UNCTAD database on Economic Time Series (ETS);

(e) Produce subsets of selected series and other sets with series for individual countries, extracted from ETS, for use with microcomputers;

(f) Reinforce data collection and processing in the area of minerals and metals in order to service study groups and committees better;

(g) Review and collect existing poverty indicators;

(h) Help to improve statistics in services in cooperation with the United Nations Statistical Office and other relevant agencies;

(i) Make special efforts to introduce new statistical publications using low-cost printing technology;

(j) Carry out research work on the refinement and further development of available analytical tools, such as terms of trade indices, instability indices, and indices of concentration or diversification of trade.

13.94 In the area of trade control measures, the UNCTAD secretariat will:

(a) Continue to develop the UNCTAD Coding System of Trade Control Measures in coordination with subregional groupings and other international organizations;

(b) Adjust the Coding System to cope better with the ongoing monitoring of environmental measures that have a bearing on trade;

(c) Continue to monitor developments in the import regimes of countries;

(d) Adjust the monitoring to cope better with measures that have a bearing on the environment;

(e) Continue to prepare brief descriptive notes of the import regimes, following the broad categories of the Coding System and to publish collections of these descriptive notes on a regular basis;

(f) Further develop and maintain the UNCTAD Database on Trade Control Measures;

(g) Adjust the Database and include more appropriately environmental measures that have a bearing on trade;

(h) Continue to disseminate information from the Database to Governments, organizations and agencies of the United Nations system, universities, research institutions and private entities;

(i) Produce a statistical publication, which summarizes import regimes;

(j) Initiate similar actions as outlined above for export regimes and corresponding individual measures at tariff line level;

(k) Further develop the Harmonized System-based Trade Analysis and Information System (TRAINS) for personal computers, which allows low-cost access to the information of the Database;

(l) Participate in the development of a personal computer-operated information system, called GRADE for GReen trADE, for trade-related environmental measures;

(m) Establish concordance of various coding systems used in environmental measures collected by organizations such as the International Organization for Standardization, UNEP and WHO, with the Harmonized System with a view to taking advantage of ongoing work in these organizations;

(n) Provide support to technical cooperation activities relating to trade negotiations and trade promotion.

13.95 In order to implement the activities, a world-trade network of Trade Control Measures Information System focal points is being established at the level of Governments and regional and subregional groupings. The focal points will be provided with updates of TRAINS on a regular basis. The focal points will collaborate in the maintenance, adjustment and dissemination of information from the Database.

13.96 The UNCTAD secretariat will continue the adaptation of hardware configuration and the monitoring of software development and availability, in order:

(a) To support all administrative and technical cooperation programmes, in particular in the selection of hardware and software, and in the development of integrated systems;

(b) To intensify training and assistance for UNCTAD users in data-processing applications for programme management and office automation activities with the organization of internal and external training courses in all standard software;

(c) Develop new low-cost publishing systems to produce and upgrade statistical publications; centralize the production of publications within UNCTAD, establishing standards and styles;

(d) Provide ad hoc assistance to developing countries on the establishmment and use of computerized systems developed by the UNCTAD secretariat;

(e) Provide statistical software tools to enhance the productivity of economists and statisticians;

(f) Monitor database development on personal computers and provide interfaces with existing mainframe databases, and continue to develop mainframe databases such as the Adaptable Database System and ETS.